

**CITY OF BLOOMINGTON UTILITIES EMPLOYEES
RESPONSE TO**

REQUEST FOR PROPOSALS

**WASTEWATER PLANT MANAGEMENT
CITY OF BLOOMINGTON UTILITIES
FEBRUARY 5, 2001**

COMMITTEE ENDORSEMENT OF PROPOSAL

The undersigned committee members endorse this proposal for operating the Dillman Road and Blucher Poole wastewater treatment plants. We have been committed to working together as an innovative team to promote the highest quality of service for the citizens of Bloomington. A strong, positive working relationship between the employees and CBU administration will assure the success of wastewater operations for the City.

CBU EMPLOYEE RESPONSE TO WASTEWATER PLANT MANAGEMENT RFP

INTRODUCTION

Bloomington wastewater treatment employees welcome the opportunity to respond to the City of Bloomington Utilities (CBU) request for proposals (RFP) related to wastewater plant management, dated February 5, 2001, and thank CBU central administration for its support and encouragement during the process of developing their proposal.

The employees acknowledge that the issues prompting the RFP go beyond the matter of simply filling a plant manager position. They are aware that other aspects of the RFP and the proposed solutions it calls for are essential for developing a long-term approach to making CBU wastewater operations the best and most cost effective possible. Toward this goal, the proposal represents what CBU wastewater employees believe will offer the greatest opportunity, with the least risk, to produce “win-win-win” results for CBU administration, the affected employees, and the larger community.

At the heart of this proposal, and based on the experience of other communities, it is the firmly-held belief that the involvement of for-profit entities in such an essential community service as wastewater treatment should be held to the absolute minimum possible. There is a growing awareness that mixing private and public priorities does disservice to the long-term interests of communities, employees and citizens alike. The CBU RFP specifically asks respondents to address the issues of enhancing employee well being as well as equipping management and supervisors with the skills and abilities necessary to maintain that well being.

The CBU employee response to the RFP is framed in the context of creating an innovative (but already proven) approach to these issues with the potential of maximizing the benefits for all involved. (See Appendix 1. *Executive Summary, Working Together for Public Service*, Report of the U. S. Secretary of Labor's Task Force on Excellence in State and Local Government through Labor-Management Cooperation.)

Cost savings is a secondary consideration of the RFP. This proposal is based on the assumption (if not truism) that public services can be provided at lower cost if private profit is not an imperative. It also is based on the assumption that public employees can work effectively and efficiently when they are given the opportunity, along with the appropriate leadership and technical support, to do so. An obvious advantage to an employee-based approach is the low cost that results from using in-house personnel and from documenting and improving upon processes that have already been shown, with very few exceptions, to result in operations free of regulatory citations.

Accordingly, the CBU wastewater employee proposal lays out a framework for the involvement of both workers and managers in working together for a common goal. It asserts that the City, its employees, and the union which represents them, can together muster all that is needed to make Bloomington wastewater operations the very best they can be.

Overview and Statement of Leadership Plan

Specifically, the employees propose that CBU wastewater plant management and other related tasks be assigned to a Labor/Management Committee (LMC) jointly appointed by CBU central administration and the American Federation of State, County and Municipal Employees

(AFSCME), Local 2487. The employees strongly believe that this approach offers the most logical and cost-effective vehicle for administering such a complex process.

The LMC will have eight members. Four will be appointed by CBU central administration, to include a plant manager responsible for operations at both Dillman Road and Blucher Poole, and the superintendent at each facility. Four will be appointed by AFSCME Local 2487, to include the shop stewards and two other non-supervisory employees representing different job duties and classifications at each of the two plants. Thus by design, LMC membership will include, *ex officio*, the operating officers responsible for both supervisory and non-supervisory employees directly involved in wastewater treatment operations.

At its outset, the LMC will develop a set of bylaws defining the committee's:

- jurisdiction
- mission, goals, and objectives
- decision-making process - - to be based on consensus as opposed to voting
- officers, meeting chairs, quorum, minutes, and other procedural issues
- communication process to involve all CBU wastewater plant employees
- agreed-upon dispute resolution process

Note: It is anticipated that a "ramping up period" of four to six weeks will be required for the LMC to complete initial committee member training and establish formal lines of communication with all affected parties.

The LMC will be given the responsibility and the *authority* to make all decisions regarding day-to-day operations of the Dillman Road and Blucher Poole plants which are not the purview of CBU central administration, the City, the Local Union and/or the Utilities Service Board. For example, major capital outlays, grievance resolution, and periodic negotiations

between the City and the Union will not be included. The LMC also will serve as the lead group for planning and budgeting additional services that are needed in support of overall plant management as well as for planning and budgeting the lump sum deliverables specified in the RFP. And, the LMC will take a lead role in all new CBU wastewater treatment initiatives such as benchmarking, the determination of best practices, and the design of cost-saving measures.

Note: Initially, the LMC will also serve as the primary search and screen committee for filling the newly-created position of plant manager. In this regard, it is the clearly-stated desire of all CBU employees represented by this proposal that the search for a new plant manager be confined to recommending someone to serve as either a full-time City employee or as an independent contract consultant - - that is, to the exclusion of bringing in a manager selected by an outside vendor.

The RFP highlights a number of evaluation criteria that will be used to judge the respondents' qualifications and approach to addressing CBU's "stated needs, principles, goals, and objectives." The CBU wastewater employees respond to these criteria as follows:

- We will minimize the impact of switching to contract management by *not* doing so. We firmly believe that keeping wastewater operations completely under local control best serves both the current and long-term interests of all CBU employees and the larger community.

While we recognize the need for change, we believe that the direct involvement of current employees in the process will allow change to evolve in a more orderly fashion than would be the case if it were initiated and directed by outside interests.

- We assert that the best way to continue improvements in CBU process and practice is to utilize and build on the already-demonstrated experience and skills of current employees as opposed to experimenting with the claimed expertise of others.

Our commitment to improvement is an essential message of this proposal. And, this commitment is based on the belief that improvements are best decided upon and implemented by those who are directly affected.

- The approach to plant management represented by this proposal is based on the premise

that the direct involvement of employees, both workers and managers, in resolving issues that affect them is the most logical and cost-effective way to plan for continuous change and improvement. We believe that the LMC process we are proposing, to include the participation of informed and experienced employees, can best serve the CBU mission and do so while promoting its statement of management principles.

- The LMC will serve as the project team, with a principle goal of involving *all* wastewater employees in one or more of its ongoing activities and initiatives. The current Bloomington wastewater workforce of 34 employees represents 483 years of on-the-job experience (an average of nearly 15 years per person). Among these employees, there are eleven with 144 years of Class I operator certification, seven with 62 years of Class II, four with 53 years of Class III, and four with 95 years of Class IV (employee classifications, length of service, certifications, and other related professional qualifications are on file with CBU administration).

The main vehicle for involving all employees will be through LMC subcommittees of interested and willing workers/managers, based on their expertise, to assist with the completion of tasks mandated by the RFP as well as for other, related work.

- We understand that implementing a new process of operation and management will require a variety of training resources. And we assert that those who will be directly affected are the best source for determining the types and amounts of additional training to be acquired from both internal and external sources.

Initially, the LMC will focus on its own training, by utilizing the expertise of those who have established and operated similar committees in other public sector settings. Beyond this immediate task, the LMC, and again with outside help as required, will take the lead in establishing training priorities associated with overall plant operations and the delivery and implementation of the lump sum deliverables.

- We also assert that the current workforce, both supervisory and non-supervisory, with leadership from the LMC, will be best equipped to maintain and improve the quality and appearance of existing operations, equipment, and property.

This is another area in which the collaborative involvement of affected employees holds a distinct advantage over an outside vendor. We believe that the employees themselves can best identify and address issues that will enhance a sense of pride in and ownership of their working environment.

- As already stated, a first priority of the LMC will be to establish both process and content for delivering the fully operational lump sum fee deliverables mandated by the RFP. And as outlined below, the proposal committee has already made considerable progress in these regards.
- Finally, we assert that the LMC will be able to provide additionally required services, by utilizing both internal and external resources, at lower cost than would be the case if they

were being provided exclusively by an outside contractor/vendor.

Although an important consideration, this proposal goes beyond the question of avoiding for-profit enterprise in a public service setting. It offers a holistic approach that reaches beyond the specific requirements of the RFP and lays out a framework for addressing not only the present but also the future in a rational and supportive way.

In sum, the responding wastewater treatment employees acknowledge that most of the problems which prompted this RFP can be traced to a combination of previous mistakes and misunderstandings on the part of management, the union, and workers alike. Accordingly, and together, we are offering a commitment to effectively put the past behind us and to join forces for the greater good of all concerned. Based on the US DOL Secretary of Labor's task force report (*See Appendix I and the full report*), we believe that there is a sound rationale for CBU to accept this particular approach to Bloomington wastewater operations and management. The remainder of this proposal addresses all other aspects of the RFP with reference to the role of the LMC.

OVERVIEW OF RFP COMPONENTS

The LMC will take the lead role in fulfilling all of the obligations associated with this proposal. It will serve as the point of origin for all plant management and operational decisions. However, and in consultation with CBU central administration, it will do so with the input and involvement of all wastewater treatment employees. As a first priority, it will design and initiate the steps necessary to complete work on the lump sum fee deliverables specified in the RFP by their stated deadlines. Also, the LMC will take the initiative in proposing and implementing other ancillary services to improve overall operations as outlined in the RFP. The employees have already completed considerable work in these areas. Their initial findings are outlined below.

PLANT MANAGEMENT ANNUAL FEE COMPONENT

Filling the Plant Manager Position

The CBU employee proposal is based on the belief that hiring a new plant manager is the most important first step toward realizing the dual goals of enhancing employee well being and developing a process to equip all CBU wastewater employees with the skills and abilities necessary to maintain that well being. Current employees have already demonstrated their abilities to perform the work required. At the same time, they acknowledge that there is considerable room for improvement in terms of smoother and more efficient operations in the future. With the new plant manager as a key player in the process, the proposed LMC will be the main vehicle for addressing these issues.

Plant Management Budget

The first-year budget for plant management includes the following three elements:

- Plant manager hired as a City employee at top of salary range (\$60,000) plus benefits estimated at 30% for a total of approximately \$78,000
- Contract consulting by outside vendors, for assistance with the delivery of lump sum fee deliverables and other technical needs as determined by the LMC (150 hours at \$150.00 per hour) for a total of \$22,500
- Training resources for LMC and all wastewater employees (150 hours at \$100.00 per hour) for a total of \$15,000. *NOTE:* Additional training will be obtained at no cost from other sources such as the Federal Mediation and Conciliation Service and AFSCME

Subsequent annual plant management budgets assume 3.5 percent salary increases for the plant manager and a one-third per year decrease in cost of technical consultants and LMC-related employee training. The amounts contained in the plant management budget are approximate. It is anticipated that the LMC will renegotiate its operating budget with CBU central administration on an annual basis for the duration of the contract, and beyond. However, and

central to this proposal, CBU wastewater employees are committed to working within their existing budget while seeking ways to control it in the future. (See complete proposal budget on page 16)

Opportunities for Cost Savings and Ways to Distribute Them

As already mentioned, CBU wastewater employees are committed to fulfilling the obligations associated with their proposal within the confines of the current CBU budget, adding only those new or additional items that are required by the RFP or this proposal. Beyond this commitment, the proposal committee has discussed what it feels are numerous opportunities to effect cost savings over time. For example, one of the LMC's goals will be to proceed with benchmarking work that has already begun and to move from there to identifying and implementing a system of best practices as part of its overall plan for operational improvements. The proposal committee is confident that, once work has commenced on various elements of the RFP, the LMC will be able to identify specific areas where reductions in operating costs are possible, and establish priorities and time lines for their realization.

The proposal committee is equally committed to finding the most equitable way to distribute savings. It is the committee's belief that a system of gain sharing should be part and parcel of all cost savings initiatives. For example, Dillman Road employees are already experimenting with a gain sharing process related to solids handling prior to completion of new belt press operations. It is the CBU wastewater employees' intent that the LMC will take the lead in negotiating with CBU central administration over the distribution of cost savings in the future. For example, the proposal committee has already suggested that any savings resulting from LMC initiatives be divided among employees, CBU central administration, and rate payers.

DESIGN AND IMPLEMENTATION OF LUMP SUM FEE DELIVERABLES

As already stated, the LMC will take the lead role in the design and implementation of the three lump sum deliverables mandated by the RFP. And as part of this proposal-writing process, CBU employees have already determined the following.

Procedure Documentation

The proposal committee has treated overall *procedure documentation* as one of its highest priorities. The committee believes that completion of this task, in conjunction with the installation of computerized maintenance and lab procedures, is the basis for beginning a process of continuous improvement in the City's wastewater treatment operations. The deliverables are also viewed as the essential starting point for utilizing such tools as benchmarking and best practices.

Initially an LMC subcommittee will review existing *process control* documents and revise or develop new ones as needed, to assure that all aspects of monitoring plant operations are documented in logical and useable form. A part of this work, for example, will be to fully implement the Supervisory Control and Data Acquisition program (SCADA) and assure its compatibility with operations at both Dillman Road and Blucher Poole.

For *wet weather operations*, the LMC will oversee the revision and improvement of the procedures already in place at Dillman Road and Blucher Poole. And most importantly, these procedures will be incorporated into the larger process control plan.

The LMC will oversee the development of *standard operating procedures for all major equipment* at both plants. To this end, a subcommittee will be responsible for acquiring and maintaining, in a manner accessible to all affected employees, the resources needed for the most efficient operation of equipment they use on a day-to-day basis.

A detailed *solids handling plan* for each plant will be developed with the assistance of outside resources such as IDEM, with the goal of reducing both the amount of solid waste handled and the need for composting. This is one area where the LMC will likely look to an outside engineering consultant for technical assistance.

The LMC, as with all aspects of procedure documentation, will oversee the development of a *plant procedures manual* for both Dillman Road and Blucher Poole. (See Appendix II for a draft of the current *Methods and Applications Checklist* for Blucher Poole plant operators.) And, as an example of possible improvements, the proposal committee has already discussed the possible advantages of installing automatic samplers at Blucher Poole.

The *lab procedures performed by operators and technicians* are already documented and in place at both Dillman Road and Blucher Poole. (See Appendix III for excerpts from the *Procedures Manual for the Dillman Road Quality Control Laboratory*.)

A priority of the LMC will be the development of *plant safety manuals* for both Dillman Road and Blucher Poole. In addition to assistance from the City's risk management department and the CBU safety committee, AFSCME has committed to assigning one of its international union safety representatives to help the LMC complete this very important aspect of its work. *NOTE:* The two plants already have access to the City's video library and other resources pertaining to wastewater treatment safety. And AFSCME has a wide range of safety resources that are available at little or no cost to its affiliates.

Computerized Maintenance Management System (CMMS)

CBU employees recognize the importance of developing a *computerized maintenance management system* (CMMS) as it relates to other elements of the RFP. They propose to fulfill this obligation in the following manner: The design of the CMMS will be coordinated by an

LMC subcommittee, in consultation with ITS and potential software vendors, to assure that all RFP requirements are fully met by the stated deadlines. The proposal committee has tentatively chosen *FaciliWorks*, a product of Cybermetrics, Inc., as the designated software for this purpose. This particular software product utilizes hand-held PDAs (personal digital assistants) as part of the process, thus reducing the need for individual data entry. The *FaciliWorks* package being considered includes the software with a ten-user network license, a one-year technical support agreement, on-site training (in Bloomington) for four, a PDA kit, and related safety procedures. The quoted price is \$12,682.00. With the acquisition of eight computers and monitors (bid by Hewlett-Packard at \$1,337.00 each, or \$10,696.00), as suggested by the RFP, the total estimated cost of installing and operating this particular CMMS for the first year would be \$23,378.00. Software maintenance and technical support for the second year is currently quoted at \$1,975.00 but this cost could be lowered by purchasing a two-year support agreement at the outset. (See the complete proposal budget on page 16)

Computerized Laboratory Information Management System (LIMS)

The proposal committee also has identified an established and reputable vendor who appears to meet all of the RFP's requirements for the installation of a computerized laboratory information management system (LIMS). The software, *Sample Master Lite Laboratory Information Management System*, is a product of Accelerated Technology Laboratories, Inc. (ATL) and is compatible with current CBU operating systems. The ATL LIMS package being considered includes four comprehensive and related software programs, a three-day on-site training program in Bloomington, and full technical and software support for one year. The total cost, including the purchase of three computer station setups (see CMMS section above) would be \$42,108.50. Software and technical support in subsequent years is estimated at \$4,000

annually, with a goal of yearly reductions in this amount as internal staff competencies increase.

(See the complete proposal budget on page 16)

The proposal committee also discussed the possibility of developing its own LIMS if, for some reason, the ATL or a similar package cannot be obtained. Should this happen, the committee believes that an LMC subcommittee, with assistance from ITS, can manage the development of a plant-specific LIMS. This would be accomplished by customizing the current Microsoft program with special emphasis on incorporating IDEM requirements and reporting forms. However, an obvious drawback to this approach is that it would take much longer than adapting ready-made software, and at initially indeterminate cost.

ADDITIONAL SERVICES COMPONENT OF RFP

The employee proposal committee understands that it is not required to respond to the additional services fee component of the RFP. Nevertheless, this section highlights a number of observations and deliberations that have been part of the proposal development process.

Although not exhaustive, CBU employees have identified a number of *special maintenance needs* at the two plants. Upon the completion of the equalization basin and other construction projects, the Dillman Road plant will have new maintenance needs related to VFD motors, belt press operations, PLCs, new pumps, a standby generator, and other machinery and equipment. At Blucher Poole, special maintenance needs are associated with digester conversion and composting alternatives.

The proposal committee has discussed meeting these special maintenance needs in ways that will enhance employee well being, at lower costs, by relying on the existing knowledge and expertise of those involved and responsible for the work. Among the solutions already considered are reorganization and additional training for existing maintenance staff, additional

cross-training of operators, and the development of improved instrument repair competencies.

CBU already has a process in place for *permit assistance* but the proposal committee believes that there is a need for better communication and the direct involvement of affected employees in the process. To this end, the LMC will structure a process to assure that all employees are adequately involved and informed, and that consultants are retained when needed.

Evolving equipment and process design is an area where the proposal committee believes there is especially great potential for involving the LMC and CBU employees as a whole. For example, the LMC will take the lead in reviewing benchmarks and implementing plant-specific best practices for the improvement of overall operations, using resources such as Greeley and Hansen, EMA, and/or HDR. The LMC and plant manager will be responsible for implementation and the LMC and the Union will be responsible for addressing the staffing implications of any changes that result. In this regard, the principles of enhanced flexibility and of “no work taken until work has been given” have already been discussed and endorsed by the proposal committee.

The LMC can play a supportive role in the *construction inspection* process by requiring that the plant manager report on a regular basis and assuring that CBU employees are fully informed of the status of all construction activities.

The proposal committee also anticipates a role for the LMC, at least indirectly, with *design review and recommendation, program management, and assistance with pretreatment programs*. In particular, the LMC will be the main communication conduit for insuring that CBU employees are informed on these and other related issues on a regular basis. For example, the committee proposes the use of special employee bulletin boards for this purpose.

Finally, there are two additional service components that the employee proposal

committee would like to highlight. First, committee discussions have identified a potential for developing *cooperative agreements* with other municipal wastewater operations. For example, it is proposed that the LMC and CBU administration investigate developing cooperative arrangements for the purchase of chemicals and other supplies that, on the basis of larger orders, might be obtained more economically. Second, the proposal committee believes that there is a potential for CBU to do *contract work* for other, smaller communities using existing resources, and at attractive rates of return. The LMC also will investigate these opportunities and, in consultation with CBU administration, consider the development of such relationships.

OTHER INFORMATION MANDATED BY THE RFP

The RFP asks respondents to provide a complete and accurate list of any and all regulatory violations, including NPDES permit violations, for all wastewater treatment systems managed, operated, or maintained in Indiana since 1993. Appendix IV lists the violations for the Dillman Road and Blucher Poole plants, as well as sanitary sewer overflows as recorded and reported by CBU central administration. All of these reported violations have been resolved to the satisfaction of the controlling regulatory authority.

SUMMARY AND ADDITIONAL DETAILS ON THE OPERATION OF THE LMC

The CBU employee proposal for the management of Bloomington wastewater operations is driven by the vision of a step-by-step process for developing a high quality public service organization to meet the needs of workers, managers and citizens alike. Such organizations typically embrace the concepts and practices of system-based management, employee involvement, partnership, and empowerment. And they often involve gain sharing as part of their system of recognition and reward.

Such efforts as these are seldom as successful in unorganized (i.e., non-union) settings and the same has been observed in private sector settings whether organized or not. Nonetheless, the degree of change from the way things have been done in the past at CBU, by both managers and employees, is perhaps the greatest challenge contained in this proposal.

In no uncertain terms, we are talking about a partnership between CBU wastewater workers and managers that will require a formal commitment on the part of both the Union and CBU administration. And, it is all but certain that, despite the best efforts and intentions of all, there will be setbacks and disappointments along the way. We know and understand that we are not talking about an overnight cure for the ills and errors of the past. What we do know and understand, and hope that those who read this proposal will agree, is that solving problems ourselves has a much better chance of enhancing employee well being than bringing in someone else to attempt to solve them for us.

PROPOSAL BUDGET

Item	Year 1	Year 2	Year 3
Plant Management Annual Fee	\$115,500 per year \$ 9,625 per month	\$111,780 per year \$ 9,315 per month	\$105,325 per year \$ 8,777 per month
Additional Services Annual Fee	*See below	*See below	*See below
Total Annual Fees	\$115,500 per year \$ 9,625 per month	\$111,780 per year \$ 9,315 per month	\$105,325 per year \$ 8,777 per month

*As discussed above, the employee proposal committee has chosen to comment on the delivery of additional services without developing specific budgets. The LMC will investigate the delivery of additional services during the first year of its work.

Item	Lump Sum Fee
Procedures Documentation	Included in Plant Management Annual Fee above
Computerized Maintenance Management System	\$23,378.00
Computerized Laboratory Information Management System	\$42,108.00